

## Message Text

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70

ACTION ARA-10

INFO OCT-01 ISO-00 AGR-05 CIAE-00 COME-00 EB-07 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

OMB-01 OPIC-03 H-02 L-03 DODE-00 PA-01 USIA-06 PRS-01

CEA-01 SS-15 NSC-05 AID-05 /087 W  
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R 201704Z AUG 75

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 956

INFO AMEMBASSY BOGOTA

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY PANAMA

C O N F I D E N T I A L TEGUCIGALPA 3633

E.O. 11652: GDS

TAGS: EINV, EAGR, HO

SUBJECT: CASTLE AND COOKE DISCUSSIONS WITH GOH MINISTERS

REF: TEGUCIGALPA 3610, 3612

1. RAFAEL PAGAN, VICE PRESIDENT OF CASTLE AND COOKE, HAD A SERIES OF MEETINGS WITH HONDURAN OFFICIALS AND MINISTERS AUGUST 18 AND 19. MR. PAGAN WAS NOT PRESENTING CORPORATE RESPONSES BUT RATHER OBTAINING ADDITIONAL INSIGHT INTO GOH INTENT ON CONCESSION CANCELLATIONS AND RELATED ISSUES.

2. MR. PAGAN TOLD AMBASSADOR SANCHEZ THAT THERE WAS A GENERAL UNITY AMONG THE OFFICERS SPOKEN TO CONCERNING THE CANCELLATION OF CONCESSIONS, AND THAT THERE WAS ALMOST AN ANXIETY TO REASSURE COMPANY THAT THERE IS NO INTENT OF EXPROPRIATION AND THERE IS A STRONG DESIRE THAT THE TWO  
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U.S. COMPANIES REMAIN IN HONDURAS.

3. MR. PAGAN BELIEVES (AS DOES THE EMBASSY) THAT THERE ARE BROAD POSSIBILITIES FOR NEGOTIATION OF A WORKABLE RELATIONSHIP. HE IS LESS CERTAIN THAT THERE WILL BE ADEQUATE RECOGNITION DURING NEGOTIATIONS OF THE NECESSITIES IMPOSED UPON STANDARD FRUIT IN ORDER TO OPERATE EFFICIENTLY AND PROFITABLY.

4. PARAGRAPH 3 AND 4 OF REFTEL 3610 PROVIDED TO MR. PAGAN. HE BELIEVES THAT HONDURAN BANANA CORPORATION IS A KEY ELEMENT TO FUTURE RELATIONSHIP. HE WAS TOLD THAT CHARTER OF CORPORATION MIGHT BE AVAILABLE LATE IN THE WEEK OF AUGUST 25. BANJAMIN VILLANUEVA, PROBABLY THE BEST INFORMED HONDURAN GOVERNMENT OFFICIAL ON BANANAS, MAY BE NAMED EXECUTIVE OFFIER.

5. LOCAL STANDARD FRUIT MANAGER, MICHAEL ROTOLO, LEFT AUGUST 18 FOR CONSULTATIONS IN SAN FRANCISCO. MR. PAGAN DEPARTS TEGUCIGALPA FOR OTHER WORK IN VENEZUELA, BUT IS SCHEDULED TO RETURN FOR MEETING WITH CHIEF OF STATE MELGAR AUGUST 25.

6. MR. PAGAN'S CONTACTS INCLUDED SEVERAL MILITARY OFFICERS. HE BELIEVES THAT DECISIONS DURING NEGOTIATIONS WILL BE TAKEN BY MELGAR. HE BELIEVES THAT MELGAR POSITION RELATIVE TO SUPERIOR DEFENSE COUNCIL IS STRENGTHENING DUE TO THE NECESSITY FOR SOMEONE TO TAKE RESPONSIBILITY ON HOT ISSUES.  
SANCHEZ

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## Message Attributes

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